



# The Right Track

*Making the Case for Performance  
Track Membership*



## What is Performance Track?

- U.S. EPA voluntary program that recognizes and rewards top environmental performers that go beyond compliance
- Launched in mid-2000, over 470 members as of February 2007



## Built on Experience; Designed for the Future

- EPA has learned from previous partnership programs
- Looking forward:
  - Institutionalizing the concept of performance-based voluntary programs
  - Serving as the benchmark for voluntary, performance-based programs that produce results beyond compliance

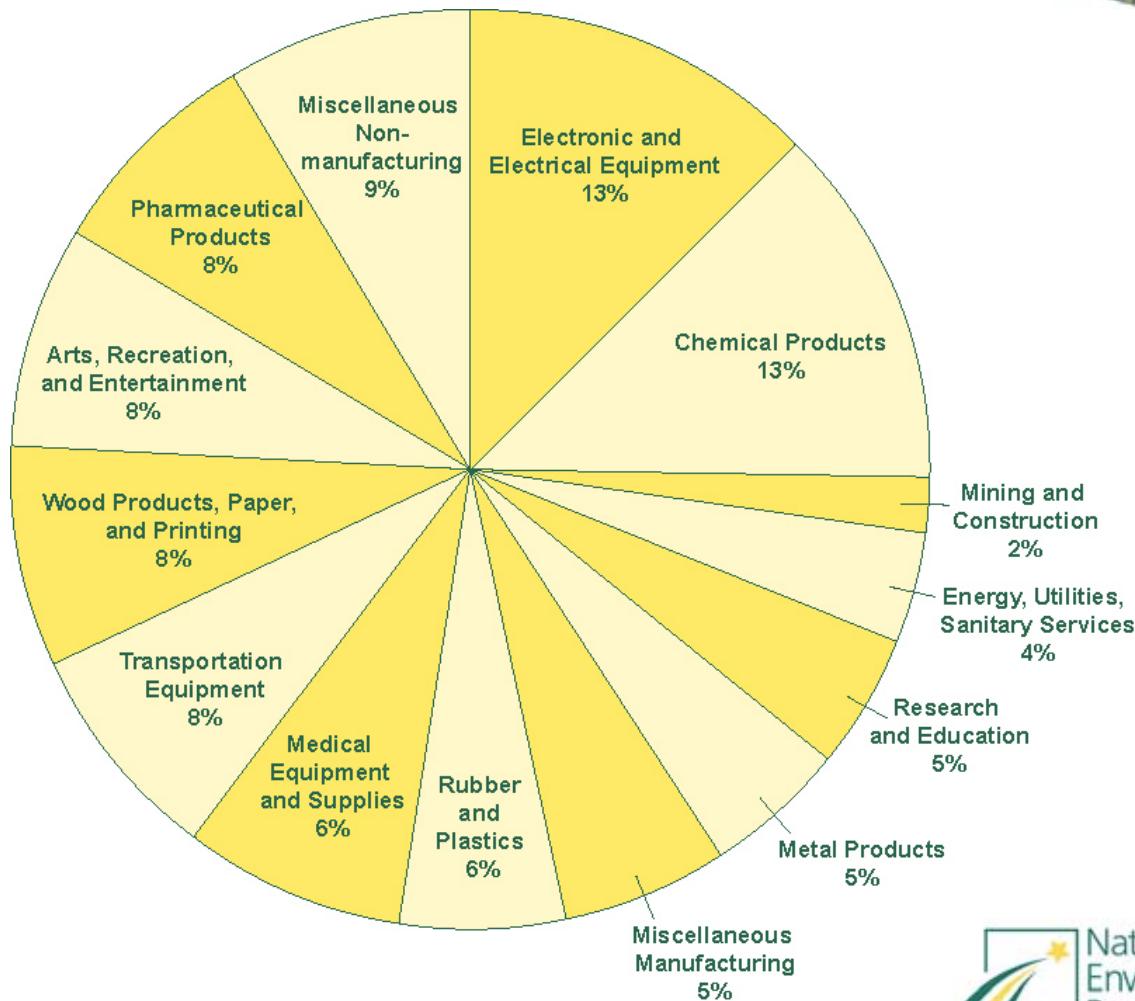


## Entry Criteria for Performance Track

- Operational Environmental Management System (EMS) in place
- History of sustained compliance
- Commitment to continuous environmental improvement
  - 3-year measurable goals for improved environmental performance
- Demonstrated commitment to public outreach

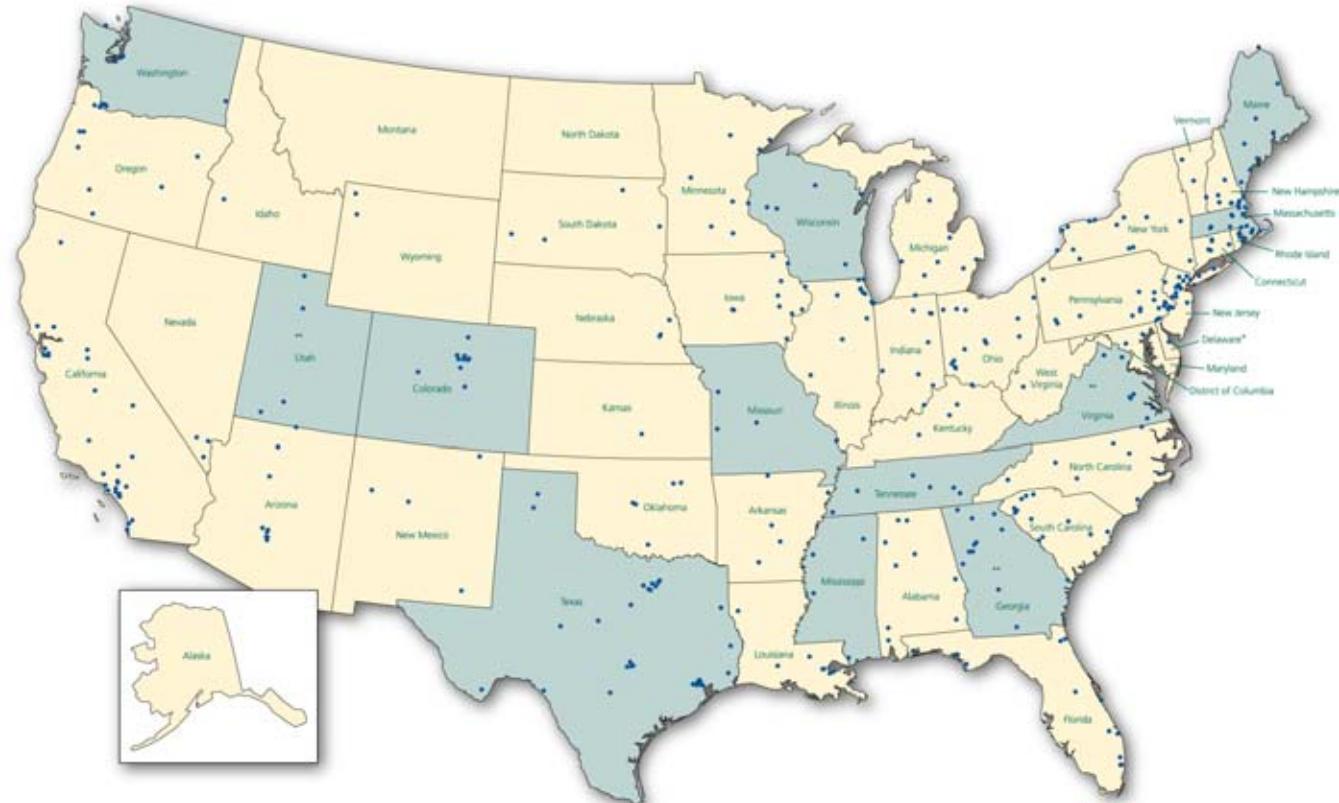


# Distribution of Members



Data as of Fall 2005

# Member Locations



- Members as of August 2006

■ States signing formal agreements with Performance Track

Data as of August 2006



## Sample Performance Commitments

- Waste – Pfizer Global Manufacturing (Lititz, PA): 95% reduction in solid waste generation
- Air Emissions – Ciba Specialty Chemicals (Newport, DE): 54% reduction in NOx emissions
- Materials Use – New Hampshire Ball Bearings (Peterborough, NH): 30% reduction in oil use
- Water Use – Naval Air Engineering Stations (Lakehurst, NJ): 5% reduction in water use per employee
- Preservation/Restoration – USGen New England, Inc. (Concord, NH): 5-fold increase in riparian buffer zone acreage



## 2005 Program-Wide Reductions

- Energy use by 4.2 million MMBtus
- Water use by 1.7 billion gallons
- Waste generation by 48,210 tons
- Hazardous waste generation by 124,371 tons
- Greenhouse gas emissions by 31,541 tons
- NO<sub>X</sub> emissions by 579 tons



*“Programs like Performance Track separate us from the pack.”*

*-Jeff Klieve, Director of Environmental Affairs & Sustainable Development, Monsanto*



## What Can Performance Track Do For You?

- Reduce costs
- Distinguish your facility
- Provide public recognition
- Facilitate networking with peers
- Leverage emerging trends towards integrated economic, social, and environmental practices



## Reduce Costs

- Performance Track's first rulemaking reduces the burden of RCRA and CAA compliance
- Members considered low priority status for routine U.S. EPA inspections
- MOAs with state programs reduce paperwork and facilitate joint participation
- NPDES permit renewal process is expedited for members
- Members will benefit from forthcoming burden reduction rules and state MOAs
- Environmental performance commitments can result in cost savings



## Imagine the Savings

Member	Action	Cost savings	Environmental Benefit
Rohm and Haas Electronic Materials	Installing high-efficiency motor controllers	\$49,000 annually	Reducing annual energy use by about 3.7 billion British Thermal Units
Hewlett Packard Caribe	Developing a rigorous program to recycle and reuse waste	\$1 million annually	Diverting 85 percent of solid waste from the landfill
Baxter Healthcare Corporation	Adopting new efficient technologies	\$8 million in 2005	Reducing energy use and associated greenhouse gas emissions by 6 percent per unit of production



## Imagine the Additional Savings

*Former Administrator Leavitt signs first PT rule*





## Distinguish Your Facility

- Facility memberships
  - Savings, recognition, networking occur at the facility level
- Quantifiable results foster recognition
  - Motorola (4 member facilities) uses Performance Track to differentiate amongst its facilities
  - Interface Fabrics Group (2 member facilities) uses Performance Track membership as a prerequisite for facility environmental awards



## Imagine the Distinction *Performance Track Members with Administrator Johnson*





## Provide Recognition

- Performance Track Logo for use by members
- Recognition letters sent to elected officials for members
- Trade association journal articles highlight members
- Promotion via the Performance Track Network
- Recognition on the Performance Track Web site
- Performance Track Corporate Leaders designation recognizes corporate environmental excellence



## Provide Recognition at the FACILITY LEVEL

- 2006 Outreach Awards
  - Colonial Acres Golf Course, Glenmont, NY
  - Johnson & Johnson World Headquarters, New Brunswick, NJ
  - Rockwell Collins- C Avenue, Cedar Rapids, IA
  - U.S. Department of Energy & DynMcDermott Petroleum Operations, New Orleans, LA
- 2006 Environmental Performance Awards
  - Rohm and Haas Electronic Materials, Marlboro, MA
  - Naval Air Engineering Station, Lakehurst, NJ
  - Norco Cleaners, Dolton, IL



## Imagine the Recognition

- Since Performance Track's inception:
  - More than 438 articles, news stories, and media clips have featured Performance Track
  - Over 4 million hits have been logged on the Web site
  - The total impressions of articles published in 2006 alone was 3,008,314



## Facilitate Networking

- The Annual Member Event – recognition, networking, and meeting EPA leaders
- Regional Roundtables – encouraging knowledge exchange between members
- Tele-Seminars – allowing members to learn best practices from experts
- Mentoring Program – connecting potential and current members with top performers
- PTrack News – featuring the accomplishments of members on a bi-monthly basis



## Imagine the Networking

- At one tele-seminar, experts discussed the business value of wildlife habitat commitments
  - Discussed using meadow planting to save \$267 per acre in maintenance costs
- At another tele-seminar, company representatives discussed using EHS programs to improve the bottom line



## Leverage Emerging Trends

- Corporate environmental and social responsibility is now tied to corporate performance
  - Investment Valuation (e.g., KLD, Innovest, Calvert, Dow Jones Sustainability Index)
  - Risk Valuation (e.g., Lloyds' TSB for credit ratings)
- More and more companies are publishing corporate responsibility reports highlighting energy, environmental, and social actions
- Some companies say that a corporate culture of sustainability has the power to motivate employees and attract consumers



## Imagine the Results

- Ten companies with Performance Track member facilities received Innovest's highest rating in 2006:
  - BASF
  - Baxter International
  - Coca Cola Company
  - DENSO
  - Henkel
  - Hewlett Packard
  - Intel Corporation
  - LaFarge
  - Novozymes
  - Ricoh Company
  - Swiss Reinsurance Company
  - Toyota Motor Corporation
  - TransCanada Corporation

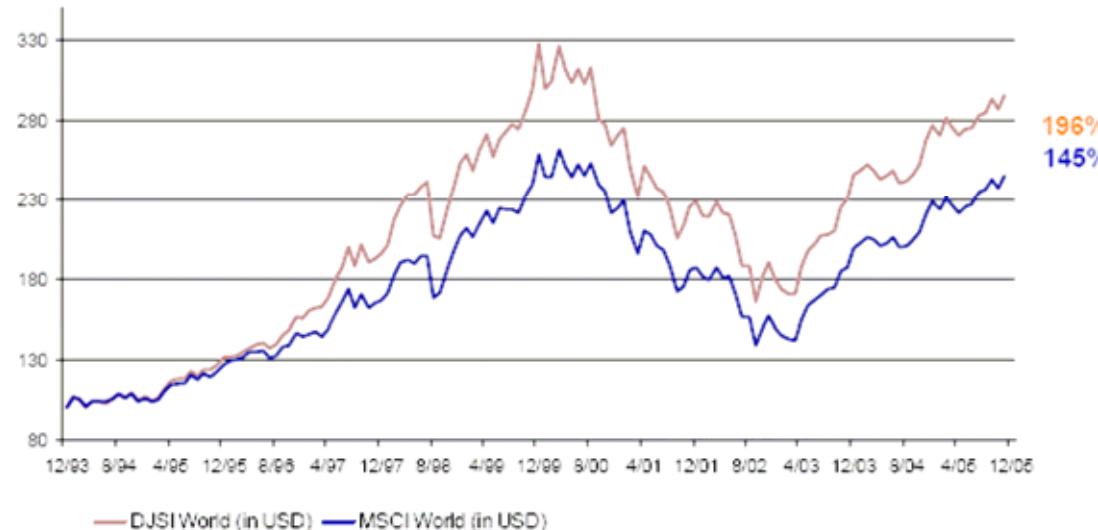
# Imagine the Results Bottom line benefits of sustainability

## DJSI World – USD Performance and Risk (I)

December 1993 - November 2005, USD, Total Return Index

### DJSI World / MSCI World:

Correlation:	0.9765	Tracking Error:	3.42%
DJSI Volatility:	15.21%	MSCI Volatility:	13.87%





*“Performance Track underlines the fact that companies that reduce their pollution run more effectively and more profitably.”*

*-Andrew Jacobs, President/Owner, Ideal Jacobs Corporation*



**[www.epa.gov/performancetrack](http://www.epa.gov/performancetrack)**

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